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Security Council

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Note by the President of the Security Council

The attached letter, dated 21 December 2000, from the Permanent Observer of Switzerland to the United Nations, was addressed to the President of the Security Council (see annex). In accordance with the request contained in the letter, I am circulating it as a document of the Security Council.

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Annex

Letter dated 21 December 2000 from the Permanent Observer of Switzerland to the United Nations addressed to the President of the Security Council

I have the honour to refer to the note by the President of the Security Council dated 20 December 2000 and the attached report of the Panel of Experts, appointed pursuant to paragraph 19 of Security Council resolution 1306 (2000), in relation to Sierra Leone (S/2000/1195). The Swiss Government welcomes the report as a useful contribution to the effective implementation of the United Nations sanctions.

The report specifically mentions the issue of Swiss customs warehouses, the so-called Freilager (paras. 16, 117, 118 and 164). While the issues raised concerning customs warehouses are of concern in several countries, Switzerland is singled out and the efforts undertaken to tackle potential problems and to strengthen controls on the transit of diamonds through customs warehouses are not duly reflected in the report.

I therefore wish to forward to you the enclosed statement, which sets out the measures Switzerland has taken regarding the issue of conflict diamonds (see enclosure). This statement was communicated to the Panel both orally and in writing before the publication of the report.

This being said, Switzerland will carefully study the recommendations made in the report to further strengthen its set of measures to effectively fight trade in conflict diamonds.

I should be grateful if you would bring the present letter and its enclosure to the attention of the members of the Security Council and have it circulated as a document of the Council.

(*Signed*) Jenö C. A. **Staehelin**
Ambassador

Enclosure

Fighting conflict diamonds — Switzerland to introduce further measures

Switzerland has fully implemented the UN Security Council Resolutions on conflict diamonds. To further tighten its control system, the Swiss Government has decided to strengthen controls on the transit of diamonds through customs warehouses.

Conflict diamonds have fuelled some of the most terrible conflicts the world has witnessed. Switzerland therefore attaches the utmost importance to breaking the vicious circle created by the illicit trade in diamonds and weapons. Diamond production and trade must be beneficial to countries. It must not act to their detriment. Switzerland is determined to fight any abuse of the Swiss diamond market.

For these reasons, Switzerland has fully implemented UN Security Council resolutions 1173 on Angola and 1306 on Sierra Leone, and closely cooperates with the respective UN expert panels on sanctions implementation. In case of doubtful origin the customs authority will hold back diamonds until their origin is determined. In addition, merchandise originating from or bound for Liberia, Guinea, Côte d'Ivoire, Burkina Faso, Democratic Republic of the Congo, Zimbabwe and Togo is subject to strict monitoring. Gambia will be added to this list. Any shipment originating from these countries is thoroughly checked and verified in cooperation with the government of the country concerned. Along with other diamond-trading centres, Switzerland carefully monitors trading flows and is ready to extend the list of sensitive countries of origin/provenance if need be.[1]

As far as the transit of rough diamonds through Switzerland is concerned, the Swiss government has even gone beyond UN standards by prohibiting storage in and clearance from customs warehouses of rough diamonds originating from Sierra Leone unless accompanied by

[1] As a reminder, rough-diamond imports to Switzerland have been exclusively of British (96-98%) and Belgian provenance (2-4%) over recent years. A number of transactions in worked diamonds during the first half of 2000 that were declared to be of Liberian provenance proved to be of U.S. provenance and of South African origin. The fact that these shipments were billed in Liberia might have led to a mistake in the customs declaration.

a valid certificate of origin. The monitoring process for merchandise originating from or bound for the countries mentioned above applies to rough diamonds in customs warehouses as well.

In its effort to further tighten its control system, the Swiss Government has decided to strengthen controls on transactions in customs warehouses. As of February 1, 2001, customs warehouses will be requested to produce an inventory of rough diamonds which are both stored on and cleared from their premises. The Swiss authorities will not only require declarations of provenance *and* origin of rough-diamond imports into Switzerland, as has been the case up till now, they will also require such declarations for transits through customs warehouses in Switzerland. Current legislation provides a sufficient legal basis for these new measures. This approach will also be introduced into the revised customs act to be introduced into Parliament next year.

As an important diamond trading centre, Switzerland strongly supports the introduction of an international certification system on rough diamonds. Switzerland welcomes the efforts undertaken in Angola and Sierra Leone to establish a certification system at national level. Switzerland actively participates in international efforts aimed at creating a global, effective and workable certification system for rough diamonds.